

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, DC

ORDER NO. 10,654

IN THE MATTER OF:

Served July 24, 2007

ZEE TRANSPORTATION SERVICE INC.,     )  
Suspension and Investigation of         )  
Revocation of Certificate No. 506     )

Case No. MP-2007-120

This matter is before the Commission on respondent's response to Order No. 10,544, served June 11, 2007.

**I. BACKGROUND**

Under the Compact, a WMATC carrier may not engage in transportation subject to the Compact if the carrier's certificate of authority is not "in force."<sup>1</sup> A certificate of authority is not valid unless the holder is in compliance with the Commission's insurance requirements.<sup>2</sup>

Commission Regulation No. 58 requires respondent to insure the revenue vehicles operated under Certificate No. 506 for a minimum of \$1.5 million in combined-single-limit liability coverage and maintain on file with the Commission at all times proof of coverage in the form of a WMATC Certificate of Insurance and Policy Endorsement (WMATC Insurance Endorsement) for each policy comprising the minimum.

Certificate No. 506 was rendered invalid on June 11, 2007, when the \$1.5 million primary WMATC Insurance Endorsement on file for respondent expired without replacement. Order No. 10,544 noted the automatic suspension of Certificate No. 506 pursuant to Regulation No. 58-02, directed respondent to cease transporting passengers for hire under Certificate No. 506, and gave respondent thirty days to replace the expired endorsement and pay the \$50 late fee due under Regulation No. 67-03(c) or face revocation of Certificate No. 506.

**II. RESPONSE**

Respondent paid the \$50 late fee on June 13, 2007, and submitted a \$1.5 million primary WMATC Insurance Endorsement on June 12, 2007. The effective date of the new endorsement is June 12, 2007. This means that respondent was without insurance coverage for one day, June 11, 2007.

Respondent admits operating on June 11, 2007, while suspended and uninsured. Further, the record shows that respondent specified a June 12 effective date in the insurance renewal application. Having

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<sup>1</sup> Compact, tit. II, art. XI, § 6(a).

<sup>2</sup> Compact, tit. II, art. XI, § 7(g).

specified an effective date of June 12, respondent should have anticipated suspension on June 11 and refrained from operating.<sup>3</sup>

### III. SHOW CAUSE

A person who knowingly and willfully violates a provision of the Compact, or a rule, regulation, requirement, or order issued under it, or a term or condition of a certificate shall be subject to a civil forfeiture of not more than \$1,000 for the first violation and not more than \$5,000 for any subsequent violation.<sup>4</sup> Each day of the violation constitutes a separate violation.<sup>5</sup> The Commission may suspend or revoke all or part of any certificate of authority for willful failure to comply with a provision of the Compact, an order, rule, or regulation of the Commission, or a term, condition, or limitation of the certificate.<sup>6</sup>

Respondent shall have thirty days to show cause why the Commission should not assess a civil forfeiture against respondent, and/or revoke Certificate No. 506, for knowingly and willfully violating Article XI, Section 6(a), of the Compact by conducting operations under an invalid/suspended certificate of authority.

THEREFORE, IT IS ORDERED:

1. That respondent shall have thirty days to show cause why the Commission should not assess a civil forfeiture against respondent for knowingly and willfully violating Article XI, Section 6(a), of the Compact.

2. That respondent shall have thirty days to show cause why the Commission should not revoke Certificate No. 506 for respondent's willful failure to comply with Article XI, Section 6(a), of the Compact.

3. That respondent may submit within 15 days from the date of this order a written request for oral hearing, specifying the grounds for the request, describing the evidence to be adduced and explaining why such evidence cannot be adduced without an oral hearing.

BY DIRECTION OF THE COMMISSION; COMMISSIONERS YATES AND CHRISTIE:



William S. Morrow, Jr.  
Executive Director

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<sup>3</sup> Respondent is well acquainted with the Commission's insurance requirements, having been suspended twice last year for failing to comply with Regulation No. 58. See *In re Zee Transp. Serv. Inc.*, No. MP-06-146, Order No. 9933 (Sept. 22, 2006); See *In re Zee Transp. Serv. Inc.*, No. MP-06-093, Order No. 9624 (June 12, 2006).

<sup>4</sup> Compact, tit. II, art. XIII, § 6(f)(i).

<sup>5</sup> Compact, tit. II, art. XIII, § 6(f)(ii).

<sup>6</sup> Compact, tit. II, art. XI, § 10(c).